

NS ~~SECRET~~ CONFIDENTIAL 9 NOVEM 1 1955

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OTHER BLOC ECONOMIC EFFORTS

25X1 I. Egypt. Besides arms deals, Soviets have reportedly offered about \$300 million loan on Aswan high dam.

A. Terms - 25 to 30 years at 2 percent interest payable in Egyptian goods, mostly rice and cotton.

C. Hungarians building up to six bridges.

II. Turkey. Bloc negotiations underway for construction of ceramics factory, cotton mill, three cotton thread mills.

A. Turkey asking Soviet aid on wheat mill, macaroni factory, and brick factory.

B. Over ten percent Turkey trade now with Bloc, an increase of 85 percent during first half 1955 over 1954.

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NO CHANGE IN CLASS. ☐

☐ DECLASSIFIED

CLASS. CHANGED TO: ~~TOP SECRET~~

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III. Iran. Contracts signed for a sugar mill

IV. Syria. Cement plant under construction.

Negotiations and offers for boiler plant, battery factory, hydroelectric station, and sugar refinery to be built by Czechs.

A. Poles want to help in railroad construction under re-newed trade agreement.

B. Bulgaria offering to supply water turbine and generator.

C. Five year trade agreement signed with Czechoslovakia. Said to call for technical aid as well as construction of cardboard mill, textile plant, sugar refinery, railroads, and perhaps a dam on the Euphrates.

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VI. Afghanistan, Foremost recipient of Bloc aid in terms of numbers of projects.

- A. Projects contracted for or under discussion include asphalt and cement plant, bakery, briquette plant, cotton and flower mills, fruit cannery, gasoline pipeline, glass factory, grain storage warehouses, road construction, sulphur plant. Offers made for coal mining aid and water supply system.
- B. As a result of Afghan-Pakistan controversy, work on roads leading to USSR being stepped up. New port on Oxus river being developed for same purpose.

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-3-

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VII. Burma. No construction projects underway. However, Burma actively seeking Bloc aid. Purchasing mission touring USSR. Burmese willing to accept Hungarian industrial million.

A. Rumanian mission to go to Burma this month; Rumanians to give sympathetic consideration to any Burmese request for petroleum and mining experts.

-4-

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IX. Latin America. ~~Soviet Bloc~~ is meeting with considerable success in its drive to expand diplomatic and commercial relations in Latin America.

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B. Soviet activity in Argentina characterized by export drive in an effort to reduce Moscow's large swing balance.

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C. Latin American trade with Bloc in 1954 increased by 400 percent over 1953.

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3. Bl(already has too hold in ,ma as
a result of large Chinese Communist
rice purchases last year. Burmese
attitude strongly influenced by fact
Bloc only new market for surplus rice.
- C. Chinese offer to supply equipment for
textile mill. Chinese Communist
technicians now in Burma to survey
type needed.

VIII. Indonesia. East Germans to build sugar
factory - cost \$7 million. Payment in
kind over six-year period. 50 to 60
technicians to accompany equipment.

- A. Rumanians to construct cement mill,
drill for oil and exploit minerals.
- B. Czechs to build radio factory,
pharmaceutical plant, and agricultural
machinery factory. Czechs to establish
food research laboratory in Djakarta.
- C. Czechs supplying textile machinery.
Hungarians to construct hydroelectric
and diesel plants.

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X. ~~Representatives of Czech Technical~~

Directorate have been touring Near East and Southeast Asia. This organization is concerned almost exclusively with the export of military arms and equipment.

A. It was the outfit in charge of supplying arms to Guatemala and is currently involved in the Egyptian arms deal.

B. To date these Czech arms merchants have visited India, Iraq, Burma, Egypt, and Afghanistan.

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-7-

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